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Before you close on a home mortgage it is in your best interest to understand the Real Estate Settlement Procedure Act (RESPA) rules and policies.

One of the primary functions of The Housing and Urban Development (HUD) and RESPA are governing mortgage loans. The arm of HUD (RESPA) defines what lenders, sellers and buyers can legally do in a real estate settlement transaction. HUD mandates that all parties fully inform borrowers about all closing costs, lender services, and escrow account practices and clarify business relationships between service providers and other parties to the transaction. By monitoring real estate settlement practices it is the goal of HUD to eliminate illegal kickbacks and referral fees activities.

All monetary transactions between buyers and sellers in a real estate transaction are required to be declared on the final HUD settlement statement. RESPA requires that borrowers receive disclosures at various times in the real estate transaction process. These disclosures should spell out all costs associated with the real estate transaction. The primary disclosure you should be familiar with is the lender's Good Faith Estimate (GFE) of settlement costs. The GFE will detail the charges buyers are likely to pay at settlement. Lenders are required to provide a GFE within three days of receiving the borrower's loan application.

Remember, the GFE is only an estimate. The actual charges may differ at settlement. This GFE will project an estimate of the charges the buyer is likely to incur. These charges are not limited to the lenders expenses.

The exact closing costs and expenses that buyers and sellers pay at closing are finalized on the HUD-1 Settlement Statement. All monies that are exchange on the day of settlement must be indicated on the HUD-1.

Any non disclosure of these monies is prohibited and considered a violation of RESPA law. The HUD office of consumer and Regulatory Affairs is responsible for enforcing RESPA.

HUD is dedicated to cracking down on RESPA violators this year. This means lenders, buyers and sellers who attempt to arrange financially settlement outside of the HUD-1 can and will be in violation of section 8 of RESPA law.

Let's take a moment to further explain section 8 of RESPA. This section prohibits any person(s) from giving and/or accepting any thing of monetary value for referrals and/or exchange for any considerations is illegal. It also prohibits any parties to a real estate transaction from giving and/or accepting charges for services that have not been performed prior to closing. These considerations can and will be construed as kickbacks under section 8 of RESPA. If found guilty a fined of up to \$10,000 and up to a 1 year imprisonment could be imposed.

Section 9 RESPA also prohibits sellers from requiring home buyers to utilize the services from particular affiliates of the seller, as a condition of the sale. Since RESPA was designed to protect the consumer, section 10 also prohibits the amount of money that lenders are allowed to hold

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A room with a hue

How to accent and create focal points

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It's the little things in life, and sometimes turning your eye to the smallest items in home décor can make the biggest impact. If you are in the mood for a room transformation, but don't have the time or budget to completely redecorate, try focusing on small-

er portions of the room and creating focal points.

You can still achieve a dramatic transformation with attention to detail and minimal effort. The simplest and most cost effective method to create a mood with color, of course, is to repaint the room. But if painting an entire

room is out of the question, try highlighting certain areas.

According to Peggy Van Allen, color services manager for Dutch Boy Paints, you can still create a new color scheme with smaller areas.

"Walk into the room with fresh Please see **HOW/6C**

It's easy to add a new shower in your bath

ARTICLE RESOURCE ASSOCIATION

If you think you're stuck with your bathroom's old, dingy shower or none at all, think again. There are now modestly priced showering systems and shower doors that are easy for homeowners to install themselves in less than a day.

"Many homeowners are surprised that something that seems as complicated as a shower is actually simple and affordable to install," says Bill Pavlonis, product manager-Sterling brand bathing products for Kohler Co., a kitchen and bath products company.

For the homeowner who is interested in building a shower within an existing bathroom space, or swapping a new unit for an old one, the Sterling Ensemble shower systems are designed to make installation quick and easy for the do-it-yourselfer.

The four modular pieces can be transported by just one person through doorways and around corners, and the tongue-and-groove interlocking joints create a seamless appearance without the need for caulk. Installers don't have to drill holes or screw bolts into brackets, eliminating the work of mounting components to the side or back walls.

"It takes one person less time to install these showers than it would take multiple people to install common one-piece modules," says Pavlonis.

The shower systems are made from an easy-to-clean, durable Vikrell material and consist of two side walls, a backwall and a lightly peb-



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bled bottom surface designed to help prevent slipping. There are strong structural ribs molded into each shower base to supply additional support and rigidity.

Each unit includes a molded-in shaving area ledge and six corner shelves that offer storage for toiletries. You can also transform an old shower by simply installing a new glass-panel door. Although many homeowners consider this to be a cumbersome and frustrating task involving cutting, drilling and careful measuring that allows little room for error, it doesn't have to be complicated.

Sterling has developed a stylish bypass shower door, the Finesse Quick Install, that can be installed with just an Allen wrench in less than 15 minutes.

"Installing this shower door is as easy as hanging up a shower curtain, but with a lot more style and durability," says Matt Klein, product manager-Sterling brand showering products for Kohler, who adds that most homeowners these days have less time to devote to household projects, and require products that are quick to install. "Most other conventional

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Choose flooring to fit your lifestyle

ARTICLE RESOURCE ASSOCIATION

Choosing the right floor for your home is a big decision. It sets the tone for the whole interior of your house, and is the foundation for everything else you put in a room. Your choice should fit not only the way you want your home to look, but also the way your family lives. "When making a decision about flooring, keep in mind such factors as design options, comfort, warmth, safety and maintenance," says Piera Marotto of Forbo Linoleum, Inc. "And don't forget you can have fun with color!"

Each family is unique and will have different demands and expectations for their flooring choice. A large family with kids will have a different set of needs than a retired couple. Pet owners will have particular requirements as well. Allergy and asthma sufferers will need to keep a clean and dust free environment. For households that have light traffic, carpet is one option. It is an attractive addition to a room and the color choices are virtually unlimited. It is however, high maintenance - regular vacuuming and shampooing are mandatory, and stains are a constant worry. Hardwood floors are a classic choice for many homes, and they work with most kinds of décor.

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